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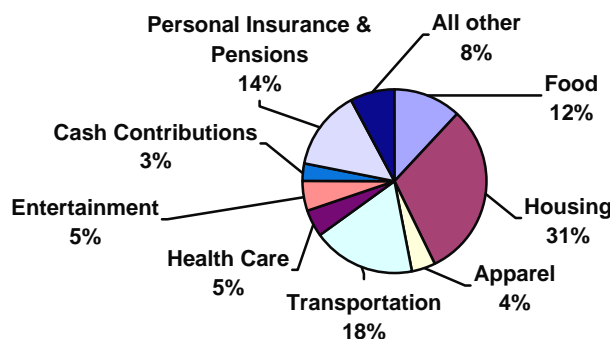
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CONSUMER SPENDING PATTERNS IN MINNEAPOLIS-ST. PAUL, 1998-99

Consumer units in the Minneapolis-St. Paul, Minnesota metropolitan area spent an average of \$48,445 per year in 1998-99, 10 percent more than in 1996-97 and almost 34 percent more than the national average, according to the Bureau of Labor Statistics of the U.S. Department of Labor. Households in Minneapolis-St. Paul spent more for every major category of spending including food, housing, transportation, health care, and entertainment than did households nationwide.

The average Minneapolis-St. Paul household spent a smaller share of its total budget for food, housing, and transportation (61.1 percent) than the average U.S. household (65.0 percent). (See table 1.) The percentage of Minneapolis-St. Paul's budget spent on these three items was also lower than in three other selected metropolitan areas in the Midwest--Chicago, Milwaukee, and Detroit. (See technical note for definitions of terms and geographical areas referenced in this release. For convenience, the terms consumer unit and household are used interchangeably.)

**Minneapolis-St. Paul Expenditure Shares
Consumer Expenditure Survey, 1998-99**



This report contains annual data averaged over a two-year period - 1998 and 1999. The data are from the Consumer Expenditure Survey, which is collected on an ongoing basis by the U.S. Bureau of the Census for the Bureau of Labor Statistics (BLS). The Consumer Expenditure Survey is the only national survey that provides both complete data on household expenditures and the demographic characteristics of those households. Survey data cannot be used to make cost of living comparisons between areas. Expenditures vary among areas not only because of economic factors such as the price of goods and services and family income, but also because of differences such as the age of the population, climate, consumer tastes, family size, etc. The survey provides average expenditures for consumer units. An individual consumer unit may spend more or less than the average, depending on its particular characteristics.

On average, spending on housing accounted for 30.9 percent of total household expenditures in the Minneapolis-St. Paul area, the lowest among the four Midwestern cities. This was also less than the 32.7 percent share spent nationally. The majority of housing expenditures in Minneapolis-St. Paul (58.8 percent) went for shelter, which includes mortgage interest, property taxes, repairs, and rent, among other items. Utilities, fuels and services accounted for 15.3 percent of total housing expenditures. This was the smallest percentage among the four Midwestern cities and less than the 20.2 percent spent nationally. The rate of homeownership in Minneapolis-St. Paul, at 68 percent, was above the national average of 65 percent.

Table A. Percent distribution of housing expenditures for the U.S. and selected areas, 1998-99

Item	U.S. Average	Minneapolis- St. Paul	Chicago	Detroit	Milwaukee
Total	100.0	100.0	100.0	100.0	100.0
Shelter	57.8	58.8	61.2	58.4	62.7
Utilities, fuels & services	20.2	15.3	19.3	20.0	17.3
Household operations	5.1	6.7	3.8	5.2	4.5
Housekeeping supplies	4.1	4.4	4.1	4.3	3.8
Household furnishings	12.7	14.8	11.6	12.1	11.6

Transportation was the second largest expenditure category in the Minneapolis-St. Paul area, accounting for 18.3 percent of a household's total budget. This was not much different from the 18.8 percent spent by households both nationally and in Detroit. Among the other areas in the Midwest, the expenditure share for transportation in Chicago was lower (16.3 percent) while in Milwaukee, the expenditure share was higher (19.7 percent). Of the \$8,847 annual expenditure on transportation in Minneapolis-St. Paul, 93.1 percent was spent buying and maintaining private vehicles. (See table 2 for detailed expenditure levels). The average number of vehicles per household in Minneapolis-St. Paul was 2.6. This was above the national average of 1.9 vehicles and greater than in the other three

Midwestern cities. The remaining 6.9 percent of a Minneapolis-St. Paul household's transportation budget was spent on public transportation.

Minneapolis-St. Paul consumer units spent 11.9 percent of their budget on food. Food expenditures in Milwaukee were similar to that in the Twin Cities. In Chicago, expenditures accounted for 13.3 percent of the budget and were close to the national average of 13.6 percent, while those in Detroit spent the highest proportion of their budget on food at 14.6 percent. Minneapolis-St. Paul households spent 52.8 percent of their food budget on food prepared at home, lowest among the four Midwest cities and below the nationwide average of 57.9 percent. The remaining 47.2 percent of the food budget was spent on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs.

Payments for personal insurance and pensions accounted for 14.2 percent of the typical Minneapolis-St. Paul household's budget, the highest share among the four Midwest areas. This was also above the 9.4 percent share spent nationally. Social Security and pension contributions accounted for 93.9 percent of a Minneapolis-St. Paul consumer's expense in this category.

Spending on apparel and related services accounted for 4.1 percent of total expenditures in Minneapolis-St. Paul; the national average was 4.7 percent. Of the four Midwestern areas, households in Milwaukee spent the smallest share of their budget on clothing—3.6 percent.

Out-of-pocket health care expenses, which include health insurance premiums, medical services, drugs, (prescription and nonprescription) and medical care supplies, accounted for 4.7 percent of a Minneapolis-St. Paul household's budget. Of the selected Midwestern areas, health care costs in Milwaukee accounted for the largest share of total expenditures at 5.6 percent, just exceeding the national average of 5.3 percent--the only one of the four areas to do so.

Minneapolis-St. Paul area households spent 5.2 percent of their budget on entertainment, similar to what was spent on average nationwide. Among the selected Midwest metropolitan areas, only households in Detroit spent a larger share (5.6 percent) on this component.

Cash contributions accounted for 3.0 percent of a consumer units spending in Minneapolis-St. Paul, not much different from the percentage spent by households in Chicago and Milwaukee. Cash contributions by Detroit households accounted for 1.8 percent of their total budget, the lowest share among the four Midwest areas. Nationally, 3.2 percent of a typical household budget was spent on cash donations.

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Additional Data Available

Data tables are available for the four Census regions and for the national average. These tables may be obtained from the Bureau's automated Fax-on-Demand service. See below. Additional tables are offered under the heading "*Tables*" on the BLS Internet site <http://www.bls.gov/csxhome.htm>.

BLS Fax-on-Demand - Chicago (312) 353-1880	Number of pages	Document no.
Consumer Expenditures in 1999 - national news release (annual)	2	2705
Data tables containing consumer expenditures-		
By quintiles of income before taxes (Table 1)	3	2710
By income before taxes (Table 2)	3	2715
By age of reference person (Table 3)	3	2720
By size of consumer unit (Table 4)	3	2725
By composition of consumer unit (Table 5)	3	2730
By number of earners (Table 6)	3	2735
By housing tenure, race, Hispanic origin, and type of area - urban or rural (Table 7)	3	2740
By region of residence (Table 8)	3	2745
By occupation of reference person (Table 9)	3	2750
By education of reference person (Table 10)	3	2760

Technical Note

The current Consumer Expenditure Survey program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in a wide variety of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI). The survey consists of two components: A Diary or recordkeeping survey completed by participating consumer units for two consecutive 1-week periods which collects data on frequently purchased, smaller items, and an Interview survey in which the expenditures on larger-cost items and those that occur on a regular basis are obtained in five interviews conducted every 3 months. The data presented in this release are based on integrated data from both surveys.

Each component of the survey queries an independent sample of consumer units which is representative of the U.S. population. Over the year, about 7,500 consumer units are sampled for the Diary survey. The Interview sample is conducted on a rotating panel basis, with about 7,500 consumer units participating each quarter. The data are collected on an ongoing basis in 105 areas of the country.

The Metropolitan Statistical Areas (MSAs) covered by the Consumer Expenditure Survey represent areas designated by the U.S. Office of Management and Budget and are based on definitions in effect as of December 1992. Generally speaking, a MSA consists of one or more counties and meets specified size criteria—either it contains a city of at least 50,000 inhabitants, or it contains an urbanized area of 50,000 inhabitants, and has a population of at least 100,000 (75,000 in New England). The largest MSAs are classified as Consolidated Metropolitan Statistical Areas (CMSAs), loosely defined as metropolitan areas with a population of at least 1 million which have been divided into two or more sub-areas each having a population of at least 100,000 called Primary Metropolitan Statistical Areas (PMSAs). Due to a change in sampling frame and in area definitions, local data for the 1998-99 period are not directly comparable to data prior to 1996. The following are definitions of the areas discussed in this release:

The Minneapolis-St. Paul, MN-WI Metropolitan Statistical Area (MSA) includes the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright in Minnesota; and Pierce and St. Croix in Wisconsin.

The Chicago-Gary-Kenosha, IL-IN-WI CMSA includes the counties of Cook, Dekalb, DuPage, Grundy, Kankakee, Kane, Kendall, Lake, McHenry, and Will in Illinois; Lake and Porter in Indiana; and Kenosha in Wisconsin.

The Detroit-Ann Arbor-Flint, MI CMSA includes the counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne.

The Milwaukee-Racine, WI Consolidated Metropolitan Statistical Area (CMSA) includes the counties of Milwaukee, Ozaukee, Racine, Washington, and Waukesha.

Definitions

Consumer unit A single person living alone or sharing a household with others but who is financially independent; members of a household related by blood, marriage, adoption, or other legal arrangement; or two or more persons living together who share responsibility for at least 2 out of 3 major types of expenses - food, housing, and other expenses. The terms household or consumer unit are used interchangeably for convenience.

Complete income reporter In general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self employment income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

Table 1. Consumer unit characteristics and percent distribution of expenditures, U.S. average and selected metropolitan areas, Consumer Expenditure Survey, 1998-99

Item	United States Average	Minneapolis-St. Paul	Chicago	Detroit	Milwaukee
Consumer unit characteristics:					
Income before taxes ^{1/}	\$42,770	\$58,032	\$47,591	\$47,539	\$43,855
Age of reference person	47.8	47.0	48.3	47.2	49.0
Average number in consumer unit:					
Persons	2.5	2.5	2.6	2.6	2.5
Children under 18	.7	.6	.8	.8	.7
Persons 65 and over	.3	.3	.3	.3	.4
Earners	1.3	1.5	1.4	1.3	1.4
Vehicles	1.9	2.6	1.6	2.0	2.0
Percent homeowner	65	68	64	71	63
Average annual expenditures	\$36,251	\$48,445	\$38,153	\$38,097	\$36,862
Total (percent):	100.0	100.0	100.0	100.0	100.0
Food	13.6	11.9	13.3	14.6	11.8
Alcoholic beverages	.9	1.0	1.1	.9	1.0
Housing	32.7	30.9	36.0	34.2	35.7
Apparel & services	4.7	4.1	4.9	5.4	3.6
Transportation	18.8	18.3	16.3	18.8	19.7
Health Care	5.3	4.7	5.1	4.5	5.6
Entertainment	5.1	5.2	4.6	5.6	4.5
Personal care products & services	1.1	1.1	1.1	1.4	.7
Reading	.4	.5	.4	.5	.5
Education	1.7	1.6	2.5	1.0	1.3
Tobacco products & smoking supplies	.8	.7	.7	1.1	1.1
Miscellaneous	2.4	2.9	2.0	2.1	2.7
Cash contributions	3.2	3.0	3.3	1.8	2.9
Personal insurance & pensions	9.4	14.2	8.6	8.2	9.0

^{1/} Components of income and taxes are derived from "complete income reporters" only; see definitions.

Table 2. Average annual expenditures, U.S. average and selected metropolitan areas, Consumer Expenditure Survey, 1998-99

Item	United States Average	Minneapolis-St. Paul	Chicago	Detroit	Milwaukee
Average annual expenditures	\$36,251	\$48,445	\$38,153	\$38,097	\$36,862
Food	4,921	5,778	5,092	5,580	4,344
Food at home	2,848	3,050	2,802	3,126	2,473
Food away from home	2,073	2,728	2,290	2,454	1,871
Alcoholic beverages	313	507	411	346	356
Housing	11,843	14,975	13,730	13,023	13,147
Shelter	6,849	8,812	8,406	7,603	8,249
Utilities, fuels & services	2,391	2,284	2,647	2,607	2,277
Household operations	606	1,003	520	673	590
Housekeeping supplies	490	659	567	558	500
Household furnishings	1,506	2,217	1,590	1,582	1,531
Apparel & services	1,708	1,979	1,888	2,056	1,319
Transportation	6,815	8,847	6,233	7,162	7,271
Vehicle purchases (net outlay)	3,136	4,175	2,779	2,854	3,643
Gasoline & motor oil	1,036	1,172	928	1,054	1,022
Other vehicle expenses	2,230	2,891	1,958	2,835	2,140
Public transportation	413	610	568	419	466
Health care	1,931	2,262	1,951	1,701	2,050
Entertainment	1,844	2,498	1,771	2,123	1,676
Personal care products & services	405	526	429	532	270
Reading	160	247	151	178	182
Education	607	767	938	399	469
Tobacco products & smoking supplies	287	344	266	403	413
Miscellaneous	864	1,402	778	813	981
Cash contributions	1,145	1,454	1,248	676	1,085
Personal insurance & pensions	3,409	6,859	3,267	3,106	3,300
Life & other personal insurance	396	419	392	394	359
Pensions & Social Security	3,012	6,440	2,875	2,712	2,941